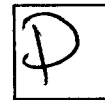


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-03528A
Picacho Water Company
9532 E. Riggs Road
Sun Lakes, AZ 85248

RECEIVED

MAY 15 2006

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
----	----	------

entered
5-15-06
RF

FOR COMMISSION USE

ANN04	05
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COMPANY INFORMATION

Company Name (Business Name) <u>PICACHO WATER COMPANY</u>			
Mailing Address <u>9532 E RIGGS ROAD</u>			
<u>(Street)</u>			
<u>SUN LAKES</u>	<u>ARIZONA</u>	<u>85248</u>	
<u>(City)</u>	<u>(State)</u>	<u>(Zip)</u>	
<u>(480) 895-9200</u>	<u>(480) 895-4347</u>		
<u>Telephone No. (Include Area Code)</u>	<u>Fax No. (Include Area Code)</u>	<u>Pager/Cell No. (Include Area Code)</u>	
Email Address _____			
Local Office Mailing Address <u>24607 S PRICE ROAD</u>			
<u>(Street)</u>			
<u>SUN LAKES</u>	<u>ARIZONA</u>	<u>85248</u>	
<u>(City)</u>	<u>(State)</u>	<u>(Zip)</u>	
<u>(480) 895-5009</u>	<u>(480) 802-9463</u>	<u>(602) 757-1548</u>	
<u>Local Office Telephone No. (Include Area Code)</u>	<u>Fax No. (Include Area Code)</u>	<u>Pager/Cell No. (Include Area Code)</u>	
Email Address _____			

MANAGEMENT INFORMATION

Management Contact: <u>JAMES POULOS</u>				<u>GENERAL MANAGER</u>
<u>(Name)</u>				<u>(Title)</u>
<u>9532 E RIGGS ROAD</u>	<u>SUN LAKES</u>	<u>ARIZONA</u>	<u>85248</u>	
<u>(Street)</u>	<u>(City)</u>	<u>(State)</u>	<u>(Zip)</u>	
<u>(480) 895-9200</u>	<u>(480) 895-4347</u>			
<u>Telephone No. (Include Area Code)</u>	<u>Fax No. (Include Area Code)</u>	<u>Pager/Cell No. (Include Area Code)</u>		
Email Address _____				
On Site Manager: <u>DAVE VOORHEES</u>				
<u>(Name)</u>				
<u>24607 S PRICE ROAD</u>	<u>SUN LAKES</u>	<u>ARIZONA</u>	<u>85248</u>	
<u>(Street)</u>	<u>(City)</u>	<u>(State)</u>	<u>(Zip)</u>	
<u>(480) 895-5009</u>	<u>(480) 802-9463</u>	<u>(602) 757-1548</u>		
<u>Telephone No. (Include Area Code)</u>	<u>Fax No. (Include Area Code)</u>	<u>Pager/Cell No. (Include Area Code)</u>		
Email Address _____				

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: JAMES D HUBBARD

(Name)

9532 E RIGGS RD

(Street)

SUN LAKES

(City)

ARIZONA

(State)

85248

(Zip)

(480) 895-9200

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: MARTY ARONSON

(Name)

ONE E CAMELBACK ROAD

(Street)

PHOENIX

(City)

ARIZONA

(State)

85012

(Zip)

(602) 263-2972

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☒ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

PICACHO WATER COMPANY

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises	183,896	0	183,896
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	1,165,320	49,526	1,115,794
311	Pumping Equipment	122,394	4,930	117,464
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	28,339	760	27,579
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	9,445	1,810	7,635
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,509,394	57,026	1,452,368

This amount goes on the Balance Sheet Acct. No. 108



COMPANY NAME

PICACHO WATER COMPANY

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises	183,896	0	0
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	1,165,320	.0300	34,959
311	Pumping Equipment	122,394	.0287	3,513
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	28,339	.0215	610
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	9,445	.1709	1,614
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,509,394	.0270	40,696

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

COMPANY NAME

PICACHO WATER COMPANY

BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 118,694	\$ 82,693
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	25,877	9,439
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	46	6,190
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 144,617	\$ 98,322
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,482,380	\$ 1,509,394
103	Property Held for Future Use		
105	Construction Work in Progress		129,293
108	Accumulated Depreciation – Utility Plant	16,329	57,026
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 1,466,051	\$ 1,581,661
	TOTAL ASSETS	\$ 1,610,668	\$ 1,679,983

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 3,123	\$ 5,741
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	9,717	33,508
235	Customer Deposits		
236	Accrued Taxes	29,000	28,574
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	16,262	33,397
	TOTAL CURRENT LIABILITIES	\$ 58,102	\$ 101,220
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 0	\$ 0
	TOTAL LIABILITIES	\$ 58,102	\$ 101,220
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 1,475,000	\$ 1,475,000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	77,566	103,763
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 1,552,566	\$ 1,578,763
	TOTAL LIABILITIES AND CAPITAL	\$ 1,610,668	\$ 1,679,983

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 188,754	\$ 245,239
460	Unmetered Water Revenue		
474	Other Water Revenues		525
	TOTAL REVENUES	\$ 188,754	\$ 245,764
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 42,520	\$ 61,004
610	Purchased Water		
615	Purchased Power	18,352	74,743
618	Chemicals		1,110
620	Repairs and Maintenance	2,777	10,053
621	Office Supplies and Expense		
630	Outside Services		333
635	Water Testing	923	7,353
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		3,255
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1,030	7,978
403	Depreciation Expense	16,329	40,696
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax	29,000	6,930
	TOTAL OPERATING EXPENSES	\$ 110,931	\$ 213,455
	OPERATING INCOME/(LOSS)	\$ 77,823	\$ 32,309
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	257	6,111
	TOTAL OTHER INCOME/(EXPENSE)	\$ (257)	\$ (6,111)
	NET INCOME/(LOSS)	\$ 77,566	\$ 26,198

COMPANY NAME	PICACHO WATER COMPNAY
---------------------	-----------------------

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ 0
--	------

Meter Deposits Refunded During the Test Year	\$ 0
--	------

COMPANY NAME	PICACHO WATER COMPANY
---------------------	-----------------------

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-567967	400	2,400	1613	20	12	1998
55-567966	400	1,800	1150	20	12	1998

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
60	2	4	
10	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
800,000	1	15,000	1

COMPANY NAME PICACHO WATER COMPANY

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		
18	PVC	7,920

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	
WELL METERS	2

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

DUAL CHLORINATION SYSTEM/CHLORINE GAS

STRUCTURES:

2 MOTOR CONTROL PANELS

OTHER:

COMPANY NAME: PICACHO WATER COMPANY

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	1	0	0
FEBRUARY	1	1,170,000	1,170
MARCH	1	60,000	60
APRIL	1	1,318,000	1,318
MAY	1	5,590,000	5,590
JUNE	1	27,648,000	27,648
JULY	1	7,262,000	7,262
AUGUST	1	4,160,000	4,160
SEPTEMBER	1	5,914,000	5,914
OCTOBER	1	17,321,000	17,321
NOVEMBER	1	7,325,000	7,325
DECEMBER		2,493,000	2,493
TOTAL		80,261,000	80,261

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. SEE BELOW mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

Well #4 < .001 mg/l

COMPANY NAME PICACHO WATER COMPANY

YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 0

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. No value assigned for 2005 by Centrally Valued Properties

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

MAY 15 2006

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	MARICOPA
NAME (OWNER OR OFFICIAL) TITLE	JAMES L. POULOS - GENERAL MANAGER
COMPANY NAME	PICACHO WATER COMPANY

AZ CORP COMM
Director Utilities

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

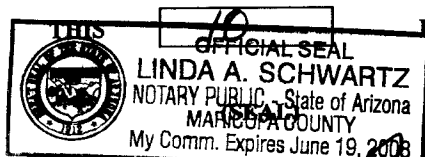
I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



MY COMMISSION EXPIRES

DAY OF

COUNTY NAME	MARICOPA
MONTH MAY	.20_06

SIGNATURE OF NOTARY PUBLIC

COMPANY NAME PICACHO WATER COMPANY

YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>19,000</u>
Estimated or Actual State Tax Liability	<u>1,310</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

5-10-06

DATE

JAMES L. POULOS

PRINTED NAME

GENERAL MANAGER

TITLE

RECEIVED

APR 27 2006

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
MARICOPA
NAME (OWNER OR OFFICIAL) TITLE
JAMES L POULOS - GENERAL MANAGER
COMPANY NAME
PICACHO WATER COMPANY

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 262,538

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 16,774
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

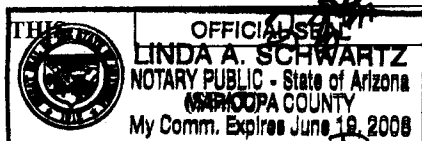
SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



DAY OF

COUNTY NAME	MARICOPA
MONTH	APRIL
YEAR	2006

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES June 19, 2008

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 27 2006

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) MARICOPA	
NAME (OWNER OR OFFICIAL) JAMES L POULOS	TITLE GENERAL MANAGER
COMPANY NAME PICACHO WATER COMPANY	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH 12	DAY 31	YEAR 2005
-------------	-----------	--------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.


SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 4,221

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 229
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**



SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

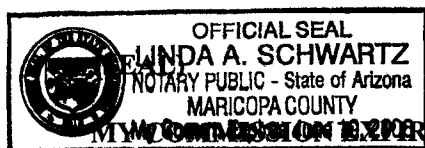
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

26th

DAY OF

NOTARY PUBLIC NAME	
COUNTY NAME MARICOPA	
MONTH APRIL	2006



June 19, 2008

X 

SIGNATURE OF NOTARY PUBLIC